

SEC. 17. *Involuntary liquidation, receivership.* If any bank shall neglect or refuse for a period of sixty days to make a report to the Corporation Commission, as it may demand, or shall fail, neglect, or refuse to comply with the provisions of the section next preceding this one, or if at any time the Corporation Commission shall find a bank, or other institution subject to its supervision in an insolvent condition, or if such institution shall neglect or refuse to correct any irregularities through violation of this act, which may be called to the attention of the president, cashier, or board of directors, the Corporation Commission shall have authority to take charge of such institution, and if upon investigation it appears to be to the interest of creditors, depositors, and stockholders that a receiver should be appointed, it may apply to the court for the appointment of a competent person as receiver. Any receiver so appointed, before entering upon his duties, shall execute a good and sufficient bond in some bonding company authorized to do business in North Carolina, which bond shall be approved by the court. Such receiver, under the direction of the court, shall take possession of the books, moneys, records, and assets of every description of such institution, and collect all debts, dues and claims belonging to it, and upon order of the court may sell or compound all bad or doubtful debts, and on like orders may sell all real and personal properties belonging to such bank and upon such terms, as the court may approve or direct, and, if necessary to pay its debts, the receiver may enforce the individual liabilities of its stockholders. A suit for such purpose may be instituted against resident stockholders in the name of such receiver in the Superior Court of the county in which its banking office or home is located, and as to nonresident stockholders, the suit may be brought in any county of any State, where such stockholder resides, or where service of a process may be had on such stockholder. All expenses on account of any receivership and all wages or salaries due officers or employees shall be paid out of the assets of such bank before distribution of the proceeds thereof; and such receiver may, on order of the court, make a ratable dividend of the money in his hands on all such claims as may have been proved to his satisfaction or adjudication in a court of competent jurisdiction, and as the proceeds of the assets of such bank are paid to the receiver, he shall on like orders make any further dividends, upon all claims previously proved or adjudicated, and the remainder of the proceeds, if any, shall be paid to the stockholders of such bank, or their legal representatives, in proportion to the stock respectively held by them. Any bank which is being operated or liquidated under any receivership herein provided shall remain subject to examination and supervision by the Corporation Commission.

Corporation Commission to apply for appointment of receiver.

Bond of receiver.

Liquidation under direction of court.

Enforcement of liabilities of stockholders.

Expense of Receivership.

Rateable dividends.

Remainder to stockholders.

Examination and supervision pending liquidation under Corporation Commission.